

THE NATIONAL REGISTER.

No. 16.]

CITY OF WASHINGTON, APRIL 15, 1820

[Vol. IX.]

Published, every Saturday, by JONATHAN ELLIOT, at five dollars per annum—payable in advance.

Contents of this No. of the National Register.

EDITOR'S CABINET—Remarks on Mr. Clay's Speech, 241 to 246.
CONGRESSIONAL—Mr. Clay's Speech on the Spanish Treaty 246 to 251. Report on National Currency concluded, 251 to 258.

EDITOR'S CABINET.

MR. CLAY'S SPEECH.

We insert in this week's Register the speech which Mr. Clay delivered in the House of Representatives on the 3d instant, in support of the Resolutions which he submitted on the 28th ult. with the tenor of which our readers are already well acquainted. This speech is as pretty a piece of *fret-work* as we have seen for a long time.

The orator, it will be perceived, condemns the executive for having appealed to the justice and affections of Spain, for an adjustment of differences, by the observance of a strict neutrality in the conflict which she is carrying on with her colonies; and this course of conduct Mr. Clay avers has failed; an assertion that may be doubted. *He* would have appealed, he says, to her justice also, and to her *fears*, by acknowledging the independent governments of South America, leaving Spain to conjecture what the United States might do further in favor of the patriots; and he would, moreover, have seized upon Texas as our own. From this it will be seen that the system of the gentleman from Kentucky is a *scare-crow* policy.

But if it would have been wise to manoeuvre upon South America, as a means of bringing Spain to terms, then was the President's plan the best, for if it be supposed that the court of Madrid would have been frightened at the idea of what might have followed an acknowledgment of the independent governments, that court would necessarily have been more frightened lest we should acknowledge them. The acknowledgment alone is what Spain fears; and by withholding that, the Spanish cabinet has been more influenced than it could possibly have been by any apprehension of what might have followed such recognition. The Spanish ministry are not so silly as to believe that we would after acknowledgement, have made common cause with the South Americans.

The *scare-crow* policy of Mr. Clay, however, has not, as he very truly observes, been the policy of the Executive. The President, we trust is too enlightened and liberal ever to abandon the principles of rectitude for ex-

perimental projects. Neutrality in the contest between Spain and her colonies is enjoined on the United States by a prudent regard for their vital interests; and as the Executive is no gamester, he has not been disposed to play *tricks* to secure the good will of Ferdinand or to woo the friendship of the Patriots. When Mr. Onís asked for a pledge that our government would not recognize the independent states of Spanish America, it was refused: And when commodore Aury, and gen. Clementi, and Mr. Pazos, required the sanction of our public authorities to illegal proceedings in the name of the patriot chiefs, they were equally repulsed. Acting upon *principle*, the measures of administration have been uniform; and they are not to be warped by those fortuitous circumstances which never fail to control the deportment of a desperate political gambler.

It is not among the least ludicrous parts of Mr. Clay's speech, that, although he thinks so highly of his system of *terror*, he does not deem it "*advisable to bring it forward.*" And wherefore? Because, as he tells us, "he knows too much of the temper of the House and of the Executive." They are both against him; and the orator of opposition confessedly *stands alone!*

Mr. Clay is very disingenuous in the view which he has taken of the course pursued by the President in relation to the Florida Treaty. That Treaty has never been considered by the Executive as perfect without the ratification of the king of Spain. It has only been regarded as the *measure of reprisal*, or of *satisfaction*, for the losses and injuries sustained by this country from the Spanish government. That is the light in which the message of the President at the commencement of the present session of Congress placed it; and the Report made by Mr. Lowndes, from the Committee on Foreign Affairs, places it in the same light. We are firmly persuaded that it was the intention of the Executive to pursue a line of conduct consonant to the aspect which he had presented of the subject to the national legislature. That he has not persevered, is, in our opinion to be attributed to a want of inclination to support him in the Representatives of the People; and that point once well ascertained, it became him to yield to their wishes in a measure which might have led to open and general war. There is a *deficit* in the Treasury, and it has not been hitherto clearly

made out how that *deficit* is to be supplied. Congress will not look at a system of direct taxes and internal duties, and, consequently, they will not sanction any thing that has the appearance of hostilities.

We hazard nothing in asserting that Mr. Clay has been completely disappointed. He was *anxious* that the Report of the committee of Foreign Affairs, and the bill which accompanied it, should be brought up for discussion; for, knowing, as he declares he knows, "the *temper* of the House," he contemplated a triumphant negative upon the executive policy, which negative, before the nation and in the eyes of the whole world, would have placed the President and the Congress in direct opposition to each other. The Executive has prevented this unpleasant state of affairs, for which he deserves the thanks of every friend to the dignity of government and the welfare of the Union. Mr. Clay sneers at the "*discretion*" of the President in this matter; but it was evidently a discretion which defeated his object.

The message of the President of the 27th ultimo was not a recommendation; it was merely a *suggestion*. The letter from the emperor of Russia to Mr. Poletica, expressive of a wish that war might be avoided, but *at the time declaring that Spain was in the wrong*, was not adduced as a *motive* for long-or indulgence to Spain. It was brought forward to fortify the desire known to be entertained by a majority of the House of Representatives; to satisfy the members, that, if they thought *patience* better than *spirit* in the affair in hand, a little additional delay would not operate to our disadvantage, inasmuch as Russia, a first rate power of Europe, was on our side of the question; and it was known that France, and Great Britain also were impressed with sentiments similar to those of the Emperor of Russia. We cannot understand how, in a business of this kind, the friendship of a potent sovereign is to be despised or viewed with an evil eye. It seems to us that it would be a false pride to keep altogether aloof from the amicable regards of foreign powers. National misanthropy is no more to be encouraged than the misanthropy of an individual. It is the interfering in the *internal* affairs of a country that we have always understood to be the objection to foreign intermeddling. On this occasion the emperor Alexander *solicits*, not in favor of the claims of Spain, which he pronounces unjust, but for peace and concord; and we have heard that his Minister at Madrid has not been idle in urging the Spanish monarch to ratify the Florida Treaty. The opinions of

powerful potentates acting upon the councils of Spain must have a beneficial effect for the United States; and the question which Mr. Clay puts, "Would his imperial majesty have listened with complacency, to our remonstrances against the vast acquisitions "which he has made?" is not at all in point. The emperor does not *remunstrate* against our acquiring Florida. He is *in favor* of the acquisition. He does not wish to see Spain engaged in a war, lest the flame should spread, and fresh belligerent fires be kindled in other parts of Europe. The gentleman from Kentucky approved the interference of foreign powers in our concerns when he signed the treaty of Ghent, to a much greater extent than the emperor of Russia has interposed in the present instance. That treaty refers the settlement of our boundary line on a large extent of our frontier, in the last resort, to the arbitration of a foreign sovereign, who, in that case, might deprive the *old United States* of a part of their soil. The gentleman from Lexington seems to have felt this inconsistency between what he *did* at Ghent and what he was *saying* in the House of Representatives, and puts in a salvo for himself; but it will not avail him: the inconsistency is too palpable.

Mr. Clay is invariably unfortunate in his classical allusions. In the debate on the Seminole war, he denominated Philip and Alexander of *Macedon*, heroes of *Greece*. In his speech on the Florida treaty he adverts to Philip again, saying, "From the moment that Philip intermeddled in the affairs of Greece, the liberty of Greece was doomed to inevitable destruction!" *Ergo*, according to Mr. Clay, the United States are doomed to inevitable destruction, because the emperor Alexander pleads in behalf of peace and concord. Now, as Macedonia, in the days of Philip, bordered on Greece, and a Russia does *not* border on the United States, we do not discern the similitude which Mr. Clay insinuates. His Imperial majesty might it is true, come down upon us by the way of Kamschatka; but then he would have to cross the Rocky Mountains. If an Austrian or Prussian politician had made the remark, there would be some reason in it, as both Austria and Prussia really have something to apprehend from the adjacency and incumbent weight of the Russian empire. We will not say to Mr. Clay, as Hamlet said to Ophelia, *go to a nunnery*; but we advise him to seek for Mr. Darby, or some other lecturer on geography, and take a few lessons in that science. He will have ample time for such study now, we presume, since (much to his

credit) he has "renounced a species of amusement, which, in early life, he had sometimes indulged in."

It is diverting to mark the courtly delicacy of the gentleman from Kentucky, as it respects the style of the state-papers relative to the Florida treaty. "He wished there was a veil broad and thick enough to conceal them forever." Yet the language of Mr. Clay, towards the emperor of Russia, on the floor of the House of Representatives, is quite as uncourtly as that of Mr. Forsythe to the Spanish ministers at Madrid. Speaking of the emperor Alexander, the orator says, "He has lately crammed his enormous maw with Finland and with the spoils of Poland," &c. There is certainly nothing to compare with this gormandizing figure in the state-papers connected with the recent Spanish negotiation. Mr. Clay's delicacy on this topic reminds us of the *inimane sensibility* of the lady who reprimanded a carman for flogging his horses too severely—"You hard-hearted monster, I'll teach you to feel." And she stripp'd off the skin from a poor dying eel. Or does the gentleman from Kentucky think that decorum at Madrid is one thing, and decorum in the House of Representatives is another?

We have, heretofore, been silent on the subject of Mr. Forsythe's diplomatic letters. The phraseology of them is undoubtedly harsh; but the truths they assert are unquestionable. And, after all, the deportment and correspondence of Mr. Forsythe at the court of Spain, have been, by no means, so rough or rude as the behaviour and letters of the Marquis de Casa Yrujo, the Spanish minister, were, in this identical city of Washington, to the public authorities of the United States, during the administration of President Jefferson.

Kings and ministers, Mr. Clay thinks, act with duplicity; and so, he might have added, sometimes, do demagogues. The worthy orator even admires this duplicity, and introduces a dull anecdote concerning my lord Castlereagh, to shew that he is a much abler man than the people of the United States think him. A miserable oracular response to an accusation of opposition in the British parliament, induces Mr. Clay to puff that nobleman. The talents of his lordship are not here in question, or it would be easy to demonstrate that he has no just pretensions to the character of an able statesman. Any man may govern with bayonets, provided he has enough of them. In England, all the ministry has to do, if the people will not submit, is to call in the military. It is a thousand times more difficult to administer the government of the

United States than that of England. In this country, nothing but *persuasion* can be used; but in Great Britain *force* is the main reliance of the ruling authorities. The gentleman from Kentucky must furnish stronger proof in support of his opinion in favor of lord Castlereagh's abilities before we can coincide with him.

The reader of Mr. Clay's speech will remark, that he adopts the maxim, that, in driving a bargain, it is fair to *take all advantages*. Men of honor, we think, should entertain different sentiments. There are principles of right and wrong in negotiation and in bargaining which honesty requires should be adhered to, however weak the nation or person with whom you are dealing may be. We fear that the political morality of Mr. Clay is rather loose; and that, although he has abandoned the *amusements* in which he *sometimes* indulged in early life, he would still carry the doctrines of *shuffle and cut* into the management of public concerns. The case of 1811, to which he refers, is by no means in point. If the King of Spain was an ignoble captive when we asserted our claim to Louisiana as far as the river Perdido, it will be recollected that it was then expected that he would remain a captive, and that it was believed Napoleon would succeed in fixing his brother Joseph on the throne of Spain. The Spanish monarchy was crumbling to pieces, and President Madison very wisely concluded, that if we did not secure our rights at that moment of convulsion and dissolution, it might be extremely difficult to secure them after the complete triumph of the French arms in the Peninsula. In the belligerent and tumultuary state in which the world was in 1811, the territory in dispute might have been occupied by a third power, and its attainment by us rendered precarious. But the world is now at peace. Spain is distracted by a revolt among her soldiery; and Mr. Clay himself confesses that Florida cannot escape us. If we do not owe any forbearance to Spain, we owe something to our own national character. May not the eagle spare smaller birds, when crippled in the wing, without the imputation of imbecility? It is thought the Spanish people are making an effort to procure for themselves a more liberal form of government. If nothing is due to their King, something is due to them: has Mr. Clay no feeling for the European Spaniards? Or is he of opinion that there are no other people on the globe but the Spanish Americans whose sufferings merit his sympathy?

That the gentleman from Kentucky *shuffles* in his politics, although he frequently fails to *cut*, will be manifest to those who will

take the trouble to read his speech in the debate on the Seminole war. His opinion, therein expressed, is wholly at variance with that which he advances in his speech on the Florida treaty. He condemns gen. Jackson for the hard terms which he dictated to the subdued and feeble enemy. Speaking of the treaty of Fort Jackson, he said "He did not believe a "solitary instance could be found "of such an inexorable spirit of domination "pervading a compact purporting to be a "treaty of peace. It consisted of the most "severe and humiliating demands—of the "surrender of large territory—of the privilege of making roads through even what "was retained—of the right of establishing "trading houses," &c. &c. Notwithstanding such conditions as these have been usual in most of our Indian treaties ever since 1789, Mr. Clay affected to weep over them, pretending to regard them as having been dictated by "an inexorable spirit of domination." In the first stages of settlement, the savages who inhabited what is now Kentucky, were treated in the same manner as the Creek Indians were treated by Gen. Jackson. They cannot be civilized; and it will not, for an instant, be contended, that they ought to be allowed to occupy the soil, in the hunter state of association, to the exclusion of the race of whites. There is something quite odd in Mr. Clay's compassion for the Indians and the severity of his inclination with respect to the Spaniards. It is as if the current of the human passions in him had been changed, and something like a stream of water's leaving its bed and running up hill.

The criticisms of Mr. Clay upon the treaty-making power under the federal constitution, we view as mere equivocations. All the abuses which he supposes may arise under that power, if unlimited, are *extreme* cases, which, of course, would demand extraordinary remedies. We may safely rely that the Senate, in which the sovereignty of all the states is represented, will never betray their trust so far as "to introduce foreign troops into the bosom of the country." If they should, the states and the people would soon find a cure for the evil in their own courage. This method of putting the worst of all possible cases, and reasoning from it to a case not in the least analogous, Mr. Clay has brought with him into the House of Representatives from the bar, where the practice is stale, and altogether impertinent to common sense.

As it respects the territory of the United States, whenever admitted into the Union, we hold it to be sacred, under the guardianship of state government, and never to be

alienated on any terms. The territory northwest of the river Ohio, as it was ceded by the several states claiming an interest in it, for the benefit of the Union at large, we also view as inalienable to a foreign power. But territory *acquired by the federal government*, by negotiation and treaty with a foreign sovereign, may, in our opinion, before it has been erected into a state of the Union, be disposed of by the same authority by which it was obtained; and particularly so if the territory is uninhabited by citizens of the United States.

This is precisely the case as the question concerns Texas.

It is a bad omen for Mr. Clay's future standing with his countrymen, that he makes such frequent attempts to wrest the constitution from its true meaning, and to draw the powers of the Senate to the House of Representatives. Such a man, even with the limited capacity of the gentleman from Kentucky, might be extremely dangerous in an elevated executive situation. His fellow-citizens, we presume, on the proper occasion, will remember this anti-constitutional trait in his political character.

Our readers understand how the ratification of the treaty has been defeated at Madrid, in part, by the land-jobbers. They insisted on claims which are excluded by the treaty, and which are proved to have been so excluded by the protocol of the negotiation and conferences preceding the treaty. Mr. Clay comes to the aid of these land-jobbers, and puts in false titles to about one million of acres, under fraudulent grants made by governor Gayoso, "in Feliciana, between the "Mississippi and the Anite, in the present "state of Louisiana." These grants were made "subsequent to the transfer, but before "the delivery, of Louisiana from Spain to "France; and the United States have never "recognized, but have constantly denied, the "validity of these concessions." And from what source has Mr. Clay derived his information, that "it is contended by the parties "concerned that these spurious grants are "confirmed by the late treaty?" Why, "He "understood, from a person interested, that "Don Onis assured him it was his intention "to confirm them."

If Mr. Clay really believes in this pretended confirmation, his faith is contrary to his own shewing. Louisiana was a state for seven years before the Florida treaty was negotiated, and during the whole of that time was governed by the laws of the United States, and its own customs and statutes. Is it to be supposed, then, that titles, the validity of which the federal government has invariably

refused to admit, can derive any additional sanction from the *ipse dixit* of a foreign minister? Mr. Clay, in relation to the emperor of Russia and the relinquishment of Texas, pretends to be exceedingly jealous of foreign influence and the treaty-making power, yet here he presents a construction of the Florida treaty, which implies acquiescence on the part of the orator in a decision upon land titles, not in a territory ceded by Spain to the United States, but within the limits of one of the acknowledged states of this union! How will this man of *many minds* reconcile this contradiction? His Catholic majesty, by the treaty of 1819, ceded all the territories which belonged to him to the eastward of the Mississippi, and the grants of land in those territories, prior to a certain date, are confirmed. But did any part of the state of Louisiana, in the year 1819, *belong* to the king of Spain? Feliciana certainly lies eastward of the Mississippi; but this term *eastward* is qualified by the words *belonging to*; which qualification brings the cession by the king of Spain, under the Florida treaty, to a line, commencing, *eastwardly*, at the river Perdido. He could not cede more than he owned; and the orator must be stultified indeed, who construes the terms *eastward of the Mississippi*, to mean all the territory from the eastern shore of the Mississippi river inclusive. The Capitol at Washington lies eastward of Lexington in Kentucky; but Mr. Clay, we fancy, does not, for that reason, find himself quite at home in the House of Representatives.

These additional grants of about one million of acres in Feliciana, have been conjured up by the gentleman from Kentucky, for the purpose of helping him out in his argument that the Florida treaty is a bad bargain and should be discarded. This argument is chiefly founded, according to Mr. Clay's logic, upon two considerations:

1. That Florida *must* eventually be ours, without the treaty.
2. That Texas, and five millions of dollars, stipulated to be paid by the United States for Spanish spoiliations are too great a price to be given for Florida.

If the naked exchange is to be considered as having been agreed upon according to the rules of barter and sale, which govern in buying and selling farms or plantations, there would be some truth in the latter of these allegations. But the principles of the exchange, as we think, were very different.

1. It was due to those of our citizens who had suffered losses by Spanish spoiliations to procure compensation for them as soon as possible. The sufferers had waited long and

patiently. Spain could not pay them in money. Her treasury is empty. She could only pay by a cession of territory. Hence *one motive* to the Florida treaty.

2. Although the United States assume the payment of five millions of dollars, no money will be drawn immediately from the Treasury. The lands of Florida are the fund whence the sum is to be derived. The five millions, therefore, flow from Spain, being included in the cession of Florida. Hence a *second motive*.

3. Spain contested our claim to Texas. Without her consent, we could occupy it only with a large army, which would require the imposition of enormous taxes on the people of the United States, and lead to the establishment and maintenance of a large standing army. A border war would be kept up with the Spaniards, inroads would probably be made into Mexico, and our government would find itself entangled with embarrassments of which there is no foreseeing the end. Hence a *third motive*.

4. Population might be drawn to that quarter to the detriment of the western parts of the United States. The federal government is pledged to support and cherish the interests of the population of the western and northwestern states and territories. There are millions of acres unsold in those directions. Our fellow-citizens, consequently, are not cramped either for land or room. To open a new and remote channel for emigration, to the south, by occupying Texas, might leave the western and northwestern states and territories thinly peopled for ages. This would be unjust. It would be ungenerous. If Mr. Clay means to remove to New Orleans, his argument may answer for his own individual views; but his scheme will not promote the welfare of the mass of the western people. In the state of Louisiana itself there are plenty of acres for the new settlers. Hence a *fourth motive* to the Florida treaty.

5. As Spain would not acquiesce in our occupation of Texas, it is probable she would never consent, whilst we held Texas, to part with Florida; or, if she did part with it, it would be to a third power, who would deal out to us harder terms, or compel us to fight for it. The question is not so much, whether we can get possession of Florida, as whether we can get possession of it, by a fair title, upon *easy terms*. If we are to go to war for it, it will cost us more than all Texas is worth. What the price of war is, let our national debt tell. Hence a *fifth motive* for adhering to the treaty.

We could adduce many other sound motives for the course pursued by administra-

tion in this transaction; but those here advanced are sufficient.

Mr. Clay is in opposition to the Executive. Whatever gloss he may put upon his language and actions, his hatred of President Monroe's administration is deadly. There may be individuals in the cabinet to whom he is attached, from *future expectancies*. But his friendship is no longer of any importance.—He will pass from the scene as a thousand political phantoms have done before him; the puff of the day and the fallen idol of unreflecting politicians. There may be persons who admire his eloquence; who think it, in the words of a panegyrist who writes from Washington to the editor of the *Lexington Reporter*, "SUBLIME, and sometimes BEAUTIFUL." A lovely orator, to be sure! For our part, we cannot perceive in Mr. Clay's elocution anything more than the fluency and smartness of a county court attorney. How can our countrymen expect to excel, when they fix the standard of excellence so low?

To conclude, Mr. Clay finds fault with every thing, and runs into all sorts of absurdities. He does not like the President's recommendation to occupy Florida, because that is war: He does not like the executive suggestion to let Florida alone, because that is peace. He thinks it inexpedient to seize Florida at this time, because it would cost a great deal of money to defend and protect its coast; but he would take possession of Texas, which has a sea-coast nearly as extensive, and would require quite as much money to preserve it. He does not feel for the present generation and its immediate posterity, but has a great deal of tenderness and anxiety for the people who are to inhabit Texas two hundred years hence, resembling in this the old gentleman who fell a crying at the thoughts of the miseries to be endured by his great grand children yet unborn. In short, Mr. Clay is for *every thing*, and he is for *nothing*, except it be the pulling public affairs to pieces.

But this disposition and faculty of *pulling down*, what is it? It is essentially the temper and talent of a mob. A rabble of Jews might have destroyed the Temple of Solomon; but how many of that rabble could have designed or built up that celebrated structure?

Debate on the Spanish Treaty

HOUSE OF REPRESENTATIVES.

APRIL 3, 1820.

The House having resolved itself into a committee of the whole, on the State of the Union, and the following resolutions, submitted some days ago by Mr. CLAY, (Speaker,) being under consideration

Resolved, That the Constitution of the United States vests in Congress the power to dispose of the territory belonging to them: and that no treaty purporting to alienate any part thereof, is valid without the concurrence of Congress.

2. Resolved, That the equivalent proposed to be given by Spain to the United States, in the treaty concluded between them on the 23d of Feb. 1819, for that part of Louisiana, lying west of the Sabine, was inadequate and that it would be inexpedient to make a transfer thereof to any foreign power, and to renew the aforesaid treaty.

Mr. CLAY said, that, whilst he felt very grateful to the House for the prompt and respectful manner in which they had allowed him to enter upon the discussion of the resolutions which he had the honor of submitting to their notice, he must at the same time frankly say, that he thought their character and consideration, in the councils of this country, were concerned in not letting the present session pass off without deliberating upon our affairs with Spain. In coming to the present session of Congress, it had been his anxious wish to be able to concur with the Executive branch of the government in the measures which it might conceive itself called on to recommend on that subject, for two reasons, of which the first, relating personally to himself, he would not trouble the committee with further noticing. The other was, that it appeared to him to be always desirable, in respect to the foreign action of this government, that there should be a perfect coincidence in opinion between its several co-ordinate branches. In time, however, of peace it might be allowable to those who are charged with the public interests to entertain and express their respective views, although there might be some discordance between them. In a season of war, there should be no division in the public councils, but an united and vigorous exertion to bring the war to an honorable conclusion. For his part, whenever that calmity may befall his country, he would entertain but one wish, and that is, that success might crown our struggle, and the war be gloriously and honorably terminated. He would never refuse to share in the joys incident to the victory of our arms, nor to participate in the griefs of defeat and discomfiture. He conceded entirely in the sentiment once expressed by that illustrious hero, whose recent melancholy fall we all so sincerely deplore, that fortune may attend our country in whatever war it may be involved.

There were two systems of policy, he said, of which our government had the choice. The first was, by appealing to the justice and affections of Spain, to employ all those persuasives which could arise out of our abstinence from any direct countenance to the cause of South America and the observance of a strict neutrality. The other was, by appealing to her justice also and to her fears, to prevail upon her to redress the injuries of which we complain—her fears, by a recognition of the independent governments of South America, and leaving her in a state of uncertainty as to the further step we might take in respect to those governments. The unratified treaty was the result of the first system. It could not be positively affirmed what effect the other system would have produced; but he verily believed that, whilst it rendered justice to those governments, and would have better comported with that magnanimous policy which ought to have characterized our own, it would have more successfully tended to an amicable and satisfactory arrangement of our differences with Spain.

The first system has so far failed. At the commencement of the session, the President recommended an enforcement of the provisions of the treaty. After three months deliberation, the committee of foreign affairs, not being able to concur with him, has made a report recommending the seizure of Florida, in the nature of a reprisal. Now, the President recommends our postponement of the subject until the next session. It had been his (Mr. C's) intention, whenever the committee of foreign affairs should engage the house to act upon their bill, to offer, as a substitute for it, the system which he thought it became this country to adopt, of which the occupation of Texas, as our own, would have been a part, and the recognition of the independent governments of South America another. If he did not now bring forward this system, it was because the committee proposed to withdraw their bill, and because he knew too much of the temper of the House and of the Executive, to think that it was advisable to bring it forward. He hoped that some suitable opportunity might occur, during the session, for considering the propriety of recognizing the independent governments of South America.

Whatever Mr. C. might think of the discretion which was evinced in recommending the postponement of the bill of the committee of foreign relations, he could not think that the reasons, assigned by the President for that recommendation, were entitled to the weight which he had given them. Mr. C. thought that the house was called upon, by a high sense of duty, seriously to advert upon some of those reasons. He believed it was the first example, in the annals of the country, in which a course of policy, respecting one foreign power, which we must suppose had been deliberately considered, has been recommended to be abandoned, in a domestic communication from one to another co-ordinate branch of the government, upon the avowed ground of the interposition of other foreign powers. And what was the nature of this interposition? It was evidenced by a cargo of scraps gathered up from this *Charge d'Affaires* and that—of loose conversations held with this foreign minister and that—perhaps mere levee conversations, without a commitment in writing, in a solitary instance, of any of the foreign parties concerned, except only in the case of his Imperial Majesty; and what was the character of his commitment we shall presently see. But Mr. C. said, he must enter his solemn protest against this and every other species of foreign interference in our matters with Spain. What have they to do with them? Would they not repel, as officious and insulting intrusion, any other foreign states? Would his Imperial Majesty have listened, with complacency to our remonstrances against the vast acquisitions which he has recently made? He has lately crammed his enormous maw with Finland and with the spoils of Poland, and whilst the difficult process of digestion is going on, he throws himself upon a couch, and cries out—don't, don't disturb my repose?

He charges his Minister here to plead the cause of peace and concord? The American "government is too enlightened (ah! sir, how sweet this unctious is, which is poured down our backs) to take hasty steps. And his Imperial Majesty's Minister here is required to engage (Mr. C. said he had hoped that the original expression was less strong, but he believed that the French word *engager* bore the same meaning) the American government

&c." Nevertheless, "the Emperor does not interpose in this discussion" No! not he. He makes above all "no pretension to exercise an influence, in the councils of a foreign power" Not the slightest. And yet, at the very instant when he is protesting against the imputation of this influence, his interposition is proving effectual! His Imperial Majesty has at least manifested so far, in this particular, his capacity to govern his empire, by the selection of a sagacious Minister. For if Count Nesselrode had never written another paragraph the extract from his dispatch to Mr. Polignac, which has been transmitted to this House, would demonstrate that he merited the confidence of his master. It was quite refreshing to read such state papers after perusing those (he was sorry to say it; he wished there was a veil broad and thick enough to conceal them forever) which this treaty had produced on the part of our government.

Conversations between my Lord Castlereagh and our Minister at London had also been communicated to this House. Nothing from the hand of his Lordship is produced; no! he does not commit himself in that way. The sense in which our Minister understood him, and the purport of certain parts of despatches from the British government to its Minister at Madrid, which he deigned to read to our Minister, are alone communicated to us. Now we know very well how diplomatists, when it is their pleasure to do so, can wrap themselves up in mystery. No man more than my Lord Castlereagh, who is also an able Minister, possessing much greater talents than are allowed to him generally in this country, can successfully express himself in ambiguous language, when he chooses to employ it. Mr. C. recollected himself once to have witnessed this facility, on the part of his lordship. The case was this. When Bonaparte made his escape from Elba and invaded France, a great part of Europe believed that it was with the connivance of the British Ministry. The opposition charged them in Parliament with it, and they were interrogated to know what measures of precaution they had taken against such an event. Lord Castlereagh replied by stating that there was an *understanding* with a certain naval officer of high rank, commanding in the adjacent seas, that he was to act on certain contingencies. Now, Mr. Chairman, if you can make any thing intelligible out of this reply you will have much more success than the English opposition had.

The allowance of interference by foreign powers in the affairs of our government, not pertaining to themselves, is against the counsels of all our wisest politicians—those of Washington, Jefferson, and, he would add also, those of the present chief magistrate; for, pending this very Spanish negotiation, the offer of the mediation of foreign states was declined, upon the true ground that Europe had her system, and we ours; and that it was not compatible with our policy to entangle ourselves in the labyrinths of hers. But a mediation is far preferable to the species of interference on which it had been his reluctant duty to comment. The mediator is a judge, placed on high, his conscience his guide, the world his spectator and posterity his judge. His position is one, therefore, of the greatest responsibility. But what responsibility is there attached to this sort of irregular, drawing room, intriguing interposition? He could see no motive for governing or influencing our policy, in regard

to Spain, furnished in any of the communications which respected the dispositions of foreign powers. He regretted, for his part, that they had been at all consulted. There was nothing in the character of the power of Spain; nothing in the beneficial nature of the stipulations of the treaty to us, which warranted us in seeking the aid of foreign powers. In any case whatever that aid was desirable. He was far from saying that, in the foreign action of this government, it might not be prudent to keep a watchful eye upon the probable conduct of foreign powers. That might be a material circumstance to be taken into consideration. But he never would avow to our own people—never promulgate to foreign powers, that their wishes and interference were the controlling causes of our policy. Such promulgation would lead to the most alarming consequences. It was to invite further interposition. It might, in process of time, create in the bosom of our country a Russian faction, a British faction, a French faction. Every nation ought to be jealous of this species of interference, what ever was its form of government. But of all forms of government the united testimony of all history admonished a Republic to be most guarded against it. From the moment that Philip intermeddled in the affairs of Greece, the liberty of Greece was doomed to inevitable destruction.

Suppose, said Mr. C. we could see the communications which have passed between His Imperial Majesty and the British government, respectively, and Spain, in regard to the United States; what do you imagine would be their character? Do you suppose that the same language has been held to Spain and to us? Do you not, on the contrary, believe, that sentiments have been expressed to her, consoling to her pride? That we have been represented, perhaps, as an ambitious Republic, seeking to aggrandize ourselves at her expense?

In the other ground taken by the President, the present distressed condition of Spain, for his recommendation of forbearance to act during the present session, Mr. C. was sorry also to say that it did not appear to him to be solid. He could well conceive how the weakness of your aggressor might, when he was withholding from you justice, form a motive for your pressing your equitable demands upon him; but he could not accord in the wisdom of that policy which would wait his recovery of strength, so as to enable him successfully to resist those demands. Nor would it comport with the practice of our own government heretofore. Did we not, in 1811, when the present monarch of Spain was an ignoble captive, and the people of the Peninsula were contending for the inestimable privileges of self-government, seize and occupy that part of Louisiana which is situated between the Mississippi and the Perdido? What must the people of Spain think of that policy which would not spare them, and which commiserates alone an unworthy prince, who ignominiously surrendered himself to his enemy; a vile despot, of whom I cannot speak in appropriate language without departing from the respect due to this house or to myself? What must the people of South America think of this sympathy for Ferdinand, at a moment when they, as well as the people of the Peninsula themselves, (if we are to believe the late accounts, and God send they may be true,) are struggling for liberty?

Again: When we declared our late just war against Great Britain, did we wait for a moment when she was free from embarrassments and

distress; or did we not rather wisely select a period when there was the greatest probability of giving success to our arms? What was the complaint in England, what the language of faction here? Was it not that we had cruelly proclaimed the war at a time when she was struggling for the liberties of the world? How truly, let the sequel and the voice of impartial history tell.

Whilst he could not, therefore, Mr. C. said persuade himself that the reasons assigned by the President for postponing the subject of our Spanish affairs until another session, were entitled to all the weight which he seemed to think belonged to them, he did not nevertheless regret that the particular project recommended by the committee of foreign relations was thus to be disposed of; for it was war—war, attempted to be disguised. And it we went to war, he thought it should have no other limit than indemnity for the past, and security for the future: He had no idea of the wisdom of that measure of hostility which would bind us, whilst the other party is left free.

Before he proceeded to consider the particular propositions which the resolutions contained which he had the honor of submitting, it was material to determine the actual posture of our relations to Spain. He considered it too clear to need discussion, that the treaty was at an end; that it contained, in its present state no obligation whatever upon us, and no obligation whatever on the part of Spain. It was as if it had never been. We are remitted back to the state of our rights and our demands which existed prior to the conclusion of the treaty, with this only difference, that, instead of being merged in, or weakened by the treaty, they have acquired all the additional force which the intervening time and the faithlessness of Spain can communicate to them. Standing on this position, he should not deem it necessary to interfere with the treaty-making power, if a fixed and persevering purpose had not been indicated by it, to obtain the revival of the treaty. Now he thought it a bad treaty. The interest of the country, as it appeared to him, forbade its renewal. Being gone, it was perfectly inconceivable to him why so much solicitude was manifested to restore it. Yet it is clung to with the same sort of frantic affection with which the bereaved mother hugs her dead infant, in the vain hope of bringing it back to life.

Has the House of Representatives a right to express its opinion upon the arrangement made in that treaty? The President, by asking Congress to carry it into effect, has given us jurisdiction of the subject, if we had it not before. We derive from that circumstance the right to consider, 1st, if there be a treaty; 2dly, if we ought to carry it into effect; and, 3dly, if there be no treaty, whether it be expedient to assert our rights, independent of the treaty. It will not be contended that we are restricted to that specific mode of redress which the President intimated in his opening Message.

The first resolution which he had presented, asserted that the Constitution vests in the Congress of the United States the power to dispose of the territory belonging to them; and that no treaty, purporting to alienate any portion thereof, is valid, without the concurrence of Congress. The proposition which it asserts, was, he thought, sufficiently maintained by barely reading the clause in the constitution on which it rests: "The Congress shall have power to dispose of, &c. the territory or other property belonging to the United States."

It was far from his wish to renew at large a discussion of the treaty-making power. The constitution of the United States had not defined the precise limits of that power, because, from the nature of it, they could not be prescribed. It appeared to him, however, that no safe American statesman would assign to it a boundless scope. He presumed, for example, that it would not be contended that in a government which was in itself limited there was a functionary without limit. The first great bound to the power in question, he apprehended, was, that no treaty could constitutionally transcend the very objects and purposes of the government itself. He thought, also, that wherever there were specific grants of power to Congress, they limited and controlled, or, he would rather say, modified the exercise of the general grant of the treaty-making power, upon the principle which was familiar to every one. He did not insist that the treaty-making power could not act upon the subject committed to the charge of Congress; he merely contended that the concurrence of Congress in its action upon those subjects was necessary. Nor would he insist that the concurrence should precede that action. It would be always most desirable that it should precede it, if convenient, to guard against the commitment of Congress, on the one hand, by the Executive, or on the other, what might seem to be a violation of the faith of the country, pledged for the ratification of the treaty. But he was perfectly aware, that it would be very often highly inconvenient to deliberate, in a body so numerous as Congress, on the nature of those terms on which it might be proper to treat with foreign powers. In the view of the subject which he had been taking, there was a much higher degree of security to the interests of this country. For, with all his respect for the President and Senate, it could not disparage the wisdom of their councils, to add to it that of this House also. But, if the concurrence of this House be not necessary in the cases asserted; if there be no restriction upon the power he was considering, it might draw to itself and absorb the whole of the powers of government. To contract alliances; to stipulate for raising troops to be employed in a common war about to be waged; to grant subsidies; even to introduce foreign troops within the bosom of the country, were not infrequent instances of the exercise of this power; and if in all such cases the honor and faith of the nation were committed, by the exclusive act of the President and Senate, the melancholy duty alone might be left to Congress of recording the ruin of the republic.

The House of Representatives has uniformly maintained its right to deliberate upon those treaties in which their co-operation was asked by the Executive. In the first case that occurred in the progress of our government, that of the treaty, commonly called Mr. Jay's treaty, after General Washington refused to communicate his instructions to that minister, the House asserted its right, by 50 odd votes to 30 odd. In the last case that occurred, the Convention of 1815 with Great Britain, although it passed off upon what was called a compromise, this House substantially obtained its object; for, if that Convention operated as a repeal of the laws with which it was incompatible, the act which passed was altogether unnecessary.

Supposing, however, that no treaty which undertakes to dispose of the territory of the United States is valid, without the concurrence of Congress, it may be contended that such treaty may constitu-

tionally fix the limits of the territories of the United States, where they are disputed, without the co-operation of Congress. He admitted it, when the fixation of the limits simply was the object. As in the case of the river St. Croix, or the more recent stipulation in the treaty of Ghent, or in that of the treaty with Spain of 1795. In all these cases, the treaty-making power merely reduces to certainty that which was before unascertained. It announces the fact; it proclaims, in a tangible form, the existence of the boundary. It does not make a new boundary; it asserts only where the old boundary was. But it cannot, under color of fixing a boundary previously existing, though not in fact marked, undertake to cede away, without the concurrence of Congress, whole provinces. If the subject be one of a mixed character, if it consists partly of cession, and partly of the fixation of a prior limit, he contended that the President must come here for the consent of Congress. But in the Florida treaty it was not pretended that the object was simply a declaration of where the western limit of Louisiana was. It was, on the contrary, the case of an avowed cession of territory from the United States to Spain. The whole of the correspondence manifested that the respective parties to the negotiation were not engaged so much in an enquiry where the limit of Louisiana was, as that they were exchanging overtures as to where it *should be*. Hence, we find various limits proposed and discussed. At one time the Mississippi is proposed; then the Missouri; then a river discharging itself into the Gulf east of the Sabine. A vast desert is proposed to separate the territories of the two powers; and finally the Sabine, which neither of the parties had ever contended was the ancient limit of Louisiana, is adopted, and the boundary is extended from its source by a line perfectly new and arbitrary; and the treaty itself proclaims its purpose to be a cession from the United States to Spain.

The second resolution comprehended three propositions: the first of which was, that the equivalent granted by Spain to the United States for the province of Texas was inadequate. To determine this it was necessary to estimate the value of what we gave and of what we received. This involved an enquiry into our claim to Texas. It was not his purpose to enter at large into this subject. He presumed the spectacle would not be presented of questioning, in this branch of the government, our title to Texas, which had been constantly maintained by the Executive for more than fifteen years past, under three several administrations. He was at the same time ready and prepared to make out our title, if any one in this House were fearless enough to controvert it. He would, for the present, briefly state, that the man who is most familiar with the transactions of this government, who largely participated in the formation of the Constitution, and in all that has been done under it, who besides the eminent services that he has rendered his country, principally contributed to the acquisition of Louisiana, and who must be supposed, from his various opportunities, best to know its limits, declared, fifteen years ago, that our title to the Rio Del Norte was as well founded as it was to the island of New Orleans. [Here Mr. C. read an extract from a memoir presented in 1805, by Mr. Monroe and Mr. Pinckney, to Mr. Cevallos, proving that the boundary of Louisiana extended eastward to the Perdido and westward to the Rio Del Norte, in which they say, "The facts and principles which justify this conclusion, are so satisfactory to their

government as to convince it that the United States have not a better right to the island of New Orleans, under the cession referred to, than they have to the whole district of territory thus described." The title to the Perdido on the one side, and to the Rio Del Norte on the other, rested on the same principle—the priority of discovery and of occupation by France. Spain had first discovered and made an establishment at Pensacola: France at Dauphin island and in the Bay of Mobile. The intermediate space was unoccupied; and the principle observed among European nations having contiguous settlements, being that the unoccupied space between them should be equally divided, was applied to it, and the Perdido thus became the common boundary. So, west of the Mississippi, La Salle, acting under France, in 1682 or 3, first discovered that river. In 1685, he made an establishment on the Bay of St. Bernard, west of the Colorado, emptying into it. The nearest Spanish settlement was Panuco, and the Rio Del Norte, about the midway line, became the common boundary.

All accounts concurred in representing Texas to be extremely valuable. Its superficial extent was three or four times greater than that of Florida. The climate was delicious; the soil fertile; the margins of the rivers abounding in live oak; and the country admitting of easy settlement. It possessed, moreover, if he were not misinformed, one of the finest ports in the Gulf of Mexico. The productions of which it was capable, were suited to our wants. The unfortunate captive of St. Helena wished for ships, commerce, and colonies. We have them all, if we do not wantonly throw them away. The colonies of other countries are separated from them by vast seas, requiring great expense to protect them, and are held subject to a constant risk of their being torn from their grasp. Our colonies, on the contrary, are united to and form a part of our continent; and the same Mississippi, from whose rich deposit, the best of them (Louisiana) has been formed, will transport on her bosom the brave and patriotic men from her tributary streams, to defend and preserve the next most valuable, the province of Texas.

We wanted Florida, or rather we *shall* want it, or, to speak yet more correctly, we want no body else to have it. We do not desire it for immediate use. It fills a space in our imagination, and we wish it to complete the arrondissement of our territory. It must certainly come to us. The ripened fruit will not more surely fall. Florida is enclosed in between Alabama and Georgia, and cannot escape. Texas may. Whether we get Florida now or some five or ten years hence, is of no consequence, provided no other power gets it; and if any other power should attempt to take it, an existing act of Congress authorizes the President to prevent it. He was not disposed to disparage Florida, but its intrinsic value was incomparably less than that of Texas. Almost its sole value was military. The possession of it would undoubtedly communicate some additional security to Louisiana and to the American commerce in the Gulf of Mexico. But it was not very essential to have it for protection to Georgia and Alabama. There could be no attack upon either of them, by a foreign power, on the side of Florida. It now covered those states. Annexed to the United States, and we should have to extend our line of defence so as to embrace Florida. Far from being, therefore, a source of immediate profit, it would be the occasion of considerable immediate expense. The acquisition of it was cer-

tainly a fair object of our policy; and ought never to be lost sight of. It was even a laudable ambition in any chief magistrate to endeavour to illustrate the epoch of his administration, by such an acquisition. It was less necessary, however, to fill the measure of the honors of the present chief magistrate than that of any other man, in consequence of the large share which he had in obtaining all Louisiana. But, whoever may deserve the renown which may attend the incorporation of Florida into our confederacy, it is our business, as the representatives of that people, who are to pay the price of it, to take care, as far as we constitutionally can, that too much is not given. He would not give Texas for Florida in a naked exchange. We were bound by the treaty to give not merely Texas, but five millions of dollars also, and the excess beyond that sum of all our claims upon Spain, which have been variously estimated at from fifteen to twenty millions of dollars!

The public is not generally apprized of another large consideration which passed from us to Spain, if an interpretation which he had heard given to the treaty were just, and it was certainly plausible—Subsequent to the transfer, but before the delivery of Louisiana from Spain to France, the then governor of New Orleans, (he believed his name was Gayoso) made a number of concessions upon the payment of an inconsiderable pecuniary consideration, amounting to between 900,000 and a million of acres of land, similar to those recently made at Madrid, to the royal favorites. This land is situated in Feliciana, and between the Mississippi and the Amite, in the present state of Louisiana. It was granted to persons who possessed the very best information of the country, and is no doubt, therefore, the choice land. The United States have never recognized, but have constantly denied the validity of these concessions. It is contended by the parties concerned, that they are confirmed by the late treaty. By the second article, his Catholic Majesty cedes to the United States, in full property and sovereignty, all the territories which belong to him, situated to the *Eastward* of the Mississippi, known by the name of *East and West Florida*. And by the eighth article, all the grants of land made before the 24th of January, 1810, by his Catholic Majesty, or by his *lawful authorities*, shall be ratified and confirmed, &c. Now, the grants in question, having been made long prior to that day, are supposed to be confirmed. He understood, from a person interested, that Don Onis had assured him it was his intention to confirm them. Whether the American negotiator had the same intention or not he (Mr. C.) did not know. It will not be pretended, that the letter of Mr. Adams, of the 12th of March, 1818, in which he declines to treat any further with respect to any part of the territory included within the limits of the state of Louisiana, can control the operation of the subsequent treaty.—That treaty must be interpreted by what is in it, and not by what is out of it. The overtures which passed between the parties respectively, prior to the conclusion of the treaty, can neither restrict nor enlarge its meaning. Moreover, when Mr. Madison occupied in 1811, the country between the Mississippi and the Perdido, he declared, that, in our hands it should be, as it has been, subject to negotiation.

It results, then, that we have given for Florida, chartered and encumbered as it is—

1. Unincumbered Texas;
2. Five millions of dollars;

3d. A surrender of all our claims upon Spain, not included in that five millions; and,

4th. If the interpretation of the treaty which he had stated were well founded, about a million of acres of the best unseated land in the state of Louisiana, worth perhaps ten millions of dollars.

The first proposition contained in the second resolution was thus, Mr. C. thought, fully sustained. The next was, that it was inexpedient to cede Texas to any foreign power. Mr. C. said he was opposed to the transfer of any part of the territories of the U. States to any foreign power. They constituted, in his opinion, a sacred inheritance of posterity, which we ought to preserve unimpaired. He wished it was, if it were not, a fundamental and inviolable law of the land, that they should be inalienable to any foreign power. It was quite evident that it was in the order of Providence; that it was an inevitable result of the principle of population, that the whole of this continent, including Texas, was to be peopled in process of time. The question was, by whose race shall it be peopled? In our hands it will be peopled by freemen, and the sons of freemen, carrying with them our language, our laws, and our liberties; establishing on the prairies of Texas temples dedicated to the simple and devout modes of worship of God, incident to our religion, and temples dedicated to that freedom which we adore next to Him. In the hands of others, it may become the habitation of despotism and of slaves, subject to the vile dominion of the Inquisition and of superstition. He knew that there were honest and enlightened men who feared that our confederacy was already too large, and that there was danger of disruption arising out of the want of reciprocal coherence between its several parts. He hoped and believed that the principle of representation, and the formation of states, would preserve us an united people. But if Texas, after being peopled by us and grappling with us, should, at some distant day, break off, she will carry along with her a noble crew, consisting of our children's children. The difference between those who might be disinclined to its annexation to our confederacy, and him, was, that their system began where his might, possibly, in some distant future day, terminate; and that theirs began with a foreign race, aliens to every thing that we hold dear, and his ended with a race partaking of all our qualities.

The last proposition which the second resolution affirms, is, that it is inexpedient to renew the treaty. If Spain had promptly ratified it, bad as it is, he would have acquiesced in it. After the protracted negotiation which it terminated; after the irritating and exasperating correspondence which preceded it, he would have taken the treaty as a man who has passed a long and restless night, turning and tossing in his bed, snatches at day an hour's disturbed repose. But she would not ratify it; she would not consent to be bound by it, and she has liberated us from it. Is it wise to renew the negotiation, if it is to be recommenced, by announcing to her at once our ultimatum? Shall we not give her the vantage ground? In early life he had sometimes indulged in a species of amusement, which years and experience had determined him to renounce, which, if the committee would allow him to use it, furnished him with a figure—Shall we enter on the game, with our hand exposed to the adversary, whilst he shuffles the cards to acquire more strength? What has lost us his ratification of the treaty? Incontestibly our importun-

ty to procure the ratification, and the hopes which that importunity inspired, that he could yet obtain more from us. Let us undeceive him. Let us proclaim the acknowledged truth that the treaty is prejudicial to the interests of this country. Are we not told, by the Secretary of State, in the bold and confident assertion, that Don Onís was authorized to grant us much more, and that Spain dare not deny his instructions? That the line of demarcation is far within his limits? If she would have then granted us more, is her position now more favorable to her in the negotiation? In our relations to foreign powers, it may be sometimes politic to sacrifice a portion of our rights to secure the residue. But is Spain such a power, as that it becomes us to sacrifice those rights? Is she entitled to it by her justice, by her observance of good faith, or by her possible annoyance of us in the event of war? She will seek, as she has sought, procrastination in the negotiation, taking the treaty as the basis. She will dare to offend us, as she has insulted us, by asking the disgraceful stipulation that we shall not recognize the Patriots. Let us put aside the treaty; tell her to grant us our rights, to their uttermost extent. And if she still *palters*, let us assert those rights, by whatever measures it is for the interest of our country to adopt.

If the treaty were abandoned; if it were not on the contrary signified, too distinctly, that there was to be a continued and unremitting endeavor to obtain its revival, he would not think it advisable for this house to interpose. But, with all the information in our possession, and holding the opinions which he entertained, he thought it the bounden duty of the House to adopt the resolutions. He had acquitted himself of what he deemed a solemn duty in bringing up the subject. Others would discharge theirs according to their own sense of them.

Congressional Document.

NATIONAL CURRENCY, &c.

Report of the Secretary of the Treasury, in obedience to a resolution of the House of Representatives of 1st March, 1819, transmitting statements in relation to the condition of the Bank of the United States and its Offices; also statements in relation to the situation of the different Chartered Banks, in the different states, and the District of Columbia, &c. [Concluded from page 186.]

It has already been said, that every attempt which has been made to introduce a paper currency has failed. It may also be said, that of all the systems which, during the discussion of this interesting subject, both in Europe and the United States, have been proposed, none are free from objections. It is possible that no system can be devised, which will be entirely free from objection. To ensure the possibility of employing such a currency with advantage, it is necessary:

1. That the power of the government over the currency be absolutely sovereign.
2. That its stability be above suspicion.
3. That its justice, morality, and intelligence, be unquestionable.
4. That the issue of the currency be made not only to depend upon the demand for it, but that an equivalent be actually received.
5. That an equivalent can only be found in the delivery of an equal amount of gold or silver, or of public stock.

6. That, whenever from any cause it may become redundant, it may be funded at an interest a fraction below that which was surrendered at its issue.

1. This proposition needs no elucidation. Coinage, and the regulation of money, have, in all nations, been considered one of the highest acts of sovereignty. It may well be doubted, however, whether a sovereign power over the coinage necessarily gives the right to establish a paper currency. The power to establish such a currency ought not only to be unquestionable, but unquestioned. Any doubt of the legality of the exercise of such an authority could not fail to mar any system which human ingenuity could devise.

2. A metallic currency, having an intrinsic value, independent of that which is given to it by the sovereign authority, does not depend upon the stability of the government for its value. Revolutions may arise; insurrections may menace the existence of the government; a metallic currency rises in value under such circumstances; it becomes more valuable, compared with every species of property whether movable or immovable, in proportion to the instability of the government. Not so with a paper currency: its credit depends, in a great degree, upon the confidence reposed in the stability of the authority by which it was issued. Should that authority be overthrown by foreign force, or intestine commotion, an immediate depreciation, if not an absolute annihilation, of its value, would ensue.

3. It might, however, be saved from such destruction by a well grounded confidence in the justice and intelligence of the government which should succeed that which had been overthrown. The history of modern times furnishes examples that are calculated to inspire this confidence. In France, during the Revolution which has just terminated, the public debt was reduced to one third of its amount. The same rule was applied to the public debt of the Dutch republic, when it fell under French domination. In the successive political changes to which France has, since that period, been subjected, the public debt and the public engagements have been maintained with the strictest good faith. In Holland, that portion of the public debt, which had been abolished by the French government, has been restored. In the opinion of well informed men, however, the conditions connected with that restoration were so onerous as to render it almost nominal. Indeed, the public debt in that country had become so disproportionate to the means of the nation when deprived of the resources it enjoyed when the debt was contracted, that the reduction which it underwent while the country was annexed to the French empire was not generally considered an evil. The reduction of the national debt of France during the revolution, was perhaps equally indispensable. If the intelligence of the age, and the influence of public opinion, even in States where the reign of law was but imperfectly established, have been sufficient to induce the governments which have alternately succeeded each other for the last 25 years, in France and Holland, to respect the public engagements which had been previously contracted, well grounded expectations may be cherished that the period is rapidly passing away when the public faith of nations can be violated with impunity.

If public engagements, under such circumstances, have been considered obligatory upon those who

have successively administered the affairs of those nations, a reasonable confidence may be reposed in the fulfilment of the obligations which may be contracted by existing governments, where the reign of law is firmly established. It is not denied that a paper currency furnishes strong temptations to abuse. Millions may be issued in a few days; and the deficiencies in the revenue promptly supplied if the condition of receiving an equivalent is abandoned. The moment the currency shall be issued as a financial resource, depreciation will follow, and all the relations of society will be disturbed. If the government of the nation, in which a paper currency has been established, shall be deeply impressed with this truth, will it not be restrained from the apprehended abuse? Currency of every kind is liable to great abuses. The history of the coinage of every nation whose annals are known, is little more than a detail of the frauds which have been practised by governments upon the people; until the twentieth year of the reign of Edward the III. of England, a pound-troy of silver, of standard fineness, and a pound sterling were synonymous terms; twenty shillings sterling being, in fact, a pound-troy of standard silver. Change followed change, in rapid succession, until, in the reign of Elizabeth, a pound-troy of standard silver was directed to be coined into sixty-two shillings. This immense change in the value of the currency was effected in the space of about two centuries. In other modern states, during the same period, changes not less important occurred in the coinage. Frequently these changes were effected by deteriorating the standard fineness of the coin. For more than a century past, the coinage of the civilized world has undergone no material change with a view to the practice of fraud upon the people. Whether this forbearance is to be attributed to an improvement in the morality of modern governments, or to a more correct understanding of the principles of currency and of the consequences that must result from every change by which the relations of society are affected, it furnishes just ground of expectation that they will not hereafter be attempted. Nothing more is necessary to secure an unalterable adherence to the maxims upon which it is manifestly necessary that a paper currency must be founded in order to preserve an uniformity of value, than the same morality and the same intelligence. Without assuming the principle of the perfectibility of human nature, the hope may be indulged that the nature of currency will continue to command the attention of statesmen, and that the abuses which have resulted from improper changes in the currency will not again occur in the same degree.

4. When the currency is metallic, no addition can be made to it without giving an equivalent. It is indispensable that this condition should be annexed to the acquisition of the paper currency, preliminary to its entering into circulation. If it can be put in circulation, only on paying its nominal amount in that which has a general and fixed value, determined by the consent of other nations, it will continue to preserve that value during the time it circulates, unless the relation which it bore, at the time of its issue, to the quantity of articles, the exchanges of which it is destined to perform, shall be varied.

5. As a paper currency is issued upon the national credit, the whole property of the nation is pledged for its redemption, whenever, by any circumstance, it may become the interest of the com-

munity, that it should be redeemed. It is, therefore, manifest that it should not issue upon the credit of any individual, or association of individuals. A part can never be equal to the whole. The credit of any individual, or association of individuals, cannot be equivalent to that of the nation, of which they form a part. But, it may be said, that, although the credit of individuals is not equivalent to the credit of the nation, yet, an equivalent for a particular portion of that credit, may be found in the pledge or mortgage of property of equal or greater value than the currency issued upon it. This may be true; but the value of property has been continually fluctuating; it will continue to fluctuate, after giving to the advocates of a paper currency full credit for the superior stability which, they suppose, will attend its substitution for gold and silver, as the standard of value. But this is not the only objection to the acceptance of property as a pledge for the payment, by individuals, of an equivalent for the paper currency which may be advanced upon such pledge. Frauds will be practised by pledging property which is encumbered, which it would be extremely difficult to detect. The government will be involved in endless litigation with individuals who are interested in the incumbrances by which its rights to the property pledged is embarrassed. In such contests, the interest of the government is always endangered, even where right is on its side. It is not qualified to enter into such litigations, with an equal chance of success. The feelings of the community are always, except in flagrant cases of fraud, upon the side of an individual supposed to be struggling with the overwhelming influence of authority. Besides, in all contests of this nature, something of the respect for the government, which ought to be cherished by the citizens, especially of a free state, will be lost. The situation is invidious, and ought not voluntarily to be assumed by a government jealous of its dignity and purity of character. It is, therefore, believed that a national currency cannot be issued with safety, with a reasonable prospect of success, and with sufficient security against redundancy, but in exchange for gold and silver of a definite standard, or for the public stock at certain fixed rate. When issued in exchange for them, and for them alone, there is, though not the same, yet perhaps an equal security against redundancy as in the case of a metallic currency. When it is issued in exchange for coin, there is no addition made to the currency. When it is issued in exchange for public stock, commanding, previously to the exchange, its par value in coin, the party who acquires the currency parts with that which was equal to specie, and is deprived of the annual interest which it produced. Unless the interest of the currency, resulting from its scarcity, should exceed that paid upon the stock, it would not be demanded in exchange for the stock. In either case, the danger of redundancy is extremely remote. By the exchange of specie for currency, the active capital of the country will be increased to the amount of the currency; and the capacity of the nation to redeem it, whenever it shall, by any circumstance whatever, become expedient, will be unquestionable.

But it may be doubted whether, under such conditions, a paper currency ever can be put in circulation. Under a government firmly established, conducted by upright and enlightened councils, and possessing absolute power over the currency, it is believed there is no just reason to apprehend

a difficulty of that nature. If, in such a government, banks existed, deriving their powers from it, the specie in their possession would be gradually exchanged for the paper currency which would become the basis of their operations. Not only the specie which they possessed would be thus exchanged, but exertions would, from time to time, be made to acquire the sums necessary to support their banking operations. Specie would be imported, even at an expense, for the purpose of being exchanged. Whilst specie formed the basis of the operations of banks, its importation could not fail to be productive of loss. Each importation not only produced the necessity of additional importations, but at an increased expense. But, when importations shall be made for the purpose of being exchanged for the currency, the exportation of the specie thus imported will not affect the operations of the banks. It is only when the finding of the currency shall commence, that they will be admonished to desist from further importations. Individuals and banks would likewise exchange public stock at the rates prescribed by the system for the paper currency. Whenever the demand for currency should be such as to raise the interest of money considerably above that produced by the public stock, it would by banks and individuals be given in exchange for the currency. But the facility which the existence of a public debt furnishes in procuring the paper currency, is counterbalanced by the difficulty of complying with the public engagements to discharge such debt in a metallic currency. After a paper circulation shall be substituted for gold and silver, they will be found in the country only in the quantity demanded for manufactures, and for such branches of commerce as are entirely dependent upon them. A considerable demand for gold and silver by the government, to meet its engagements, previously contracted, would raise their price in the market, and render the obligation to discharge those engagements in the precious metals not only extremely onerous, but, perhaps, sometimes impracticable. In such a state, a compromise with the public creditors would seem to be a preliminary measure. This, under any circumstances, would be a measure of great delicacy and difficulty, and, in some cases, would probably be utterly impracticable.

6. Whenever, from any cause, the currency should become redundant, the redundancy may be funded at a rate of interest a fraction below the rate of legal interest.

In determining the rate at which it may be funded, due regard should be paid to the rate of interest previously existing in the state. The rate of interest, it is conceived, ought not to depend, and where a metallic currency prevails does not depend solely upon the amount of currency necessary to perform, with facility, the exchanges required by the wants and convenience of society. In a new country, where there is but a slight accumulation of capital, the interest of money will be high, notwithstanding there may be even a redundancy of currency beyond what is necessary to effect its exchanges. In such a country, all the objects upon which capital may be employed, except those of the most simple kind, are unoccupied. The currency necessary to effect the exchanges of its property, moveable and immoveable, will be entirely insufficient to satisfy the demand for capital for those objects. If it should be multiplied, so as to equal that demand, it would exceed the demand for necessary exchanges of society, and, conse-

quently, depreciate. Such, in fact, it is believed, would be the consequence of issuing the currency upon individual credit, or upon the pledge of property, at a rate of interest below that which previously existed in the state. Any change of the interest of money by law, previous to its having taken place in individual transactions, in consequence of the accumulation of capital, would be unjust, and could not fail to produce serious inconvenience to the community. Admitting the rate of interest in a state about to make the experiment, to be six per cent. then the currency should be issued only in exchange for specie or six per cent. stock, or other stock, according to that ratio. If the currency should, when, by any means, a redundancy existed, be fundable at five and a half per cent. interest, the utmost depreciation to which it could be subject would be eight and one third per cent. But it is probable that the real depression in its value would not, at any time, be more than half that amount. Before refunding would commence, the public stock, receivable in exchange for the national currency, would be above the rates at which it was receivable. Its issue upon the exchange of stock would, therefore, have ceased. There are in every community, capitalists, who would prefer lending to the government at five and a half per cent. than to individuals at six. The funding of the currency would, therefore, begin before the redundancy would offer any general inducement to that mode of reducing it. The variation to which its value would be subject, would therefore be less than eight and one-third per cent. It would be the interest of the government to reserve the right of redeeming the stock created by funding, at its par value; under the condition, however, of redeeming it according to the order of time in which it was created. Connected with this system should be a permission to the banks to purchase public stock, but not to dispose of it, except to the government, at its par or current value, when under par, unless the government should decline the purchase. The currency, upon being funded, should be invariably cancelled. Under a system of this kind, if no other paper was permitted to circulate than the national currency, a redundancy which would affect its value could only occur by a temporary diminution of the articles which were to be exchanged through its instrumentality. In that event the price of the articles would be enhanced, so as to require a greater amount of currency to effect their exchange. Should the price not be enhanced in proportion to the diminution in the quantity of the articles, that portion of the currency which would, under such circumstances, be left without employment, would be funded. A just relation between the amount of currency, and the demand for it, would be promptly restored, without affecting, injuriously, the relations between individuals. On the other hand, should a greater quantity of exchangeable articles be produced, the demand for currency would exceed the supply, and lead immediately to additional issues, until the necessary supply should be obtained.

But, in a state where banks existed, which derived their charters from the sovereignty that regulated the currency; where the people were accustomed to bank notes; and in the habit of receiving them, the agency of these institutions might be admitted in supplying a portion of the currency. They might be permitted to issue their notes, payable on demand, in the national currency. Their

notes would, of course, be issued on personal security. In this case, the currency might become redundant by the issues of the banks. Whenever this should happen, the national currency would be demanded of them for the purpose of being funded; the banks would be compelled to curtail their discounts, to relieve themselves from the pressure, and the amount of the currency would be promptly reduced to the legitimate demand. Wherever the agency of banks should be employed in furnishing part of the circulation, a refusal, or omission, to discharge their notes on demand, in the national currency, should be treated as an act of bankruptcy. The national currency being a legal tender in the payment of debts to individuals and to the government, would, in relation to the banks, perform the functions of specie, where bank notes are convertible into coin. But, in order to impose a salutary check against excessive issues of bank notes, the national currency should alone be receivable in all payments to the government.

In an attempt to trace the probable results of a paper currency, founded upon the principles which have been developed in the preceding pages, the influence which it will have upon foreign exchange requires investigation. The want of stability, morality, and intelligence in the government, which may undertake to substitute a paper for a metallic currency, are the objections which have already been considered. To these, according to common opinion, is to be added, the injurious effects which it is supposed, it will have upon foreign exchange. In a country, where the currency is metallic, an unfavorable state of foreign exchange will probably have the following effects:

- 1st. To raise the price of exportable articles as much above that, which they ought to bear, as the premium paid upon foreign bills, until it exceeds the expense of exporting specie to the foreign market.
- 2d. When this rise exceeds the expense of such exportation, the price of exportable articles will fall gradually below what they ought to command, to the extent of that excess.
- 3d. Until this fall in their price shall be effected, specie will be exported; after which, it will cease.
- 4th. This fall in their price, by increasing their consumption in the foreign markets, ultimately provides for the return of the specie which had been exported.
- 5th. During the second and third stages of this process, the price of all articles not exportable, is affected in a greater degree; enterprise is damped, and distress prevails.

Such are the necessary effects of an unfavorable state of foreign exchange, where the currency is metallic. As the vital principle of commerce is gain, it is probable that, generally, the price of exportable articles would, in fact, be rather higher than is stated in the preceding deductions; the timid might export specie, before the premium upon exchange exceeded the expense of its exportation; but timidity is not the predominant characteristic of commercial enterprise. On the other hand, the sanguine and enterprising, relying upon the chance of better markets, would give higher prices rather than submit to certain loss upon the exportation of specie or the purchase of bills above par.

In a country where a paper currency has been adopted, and the principles by which a redundancy may be prevented, have been enforced, an unfavor-

able state of foreign exchange will probably have the following effects:

1st. The effect of raising the price of exportable articles, as much above what they ought to bear, as equals the premium upon foreign bills. But, in this case, gold and silver being exportable articles will rise in the same proportion as all other articles.

2d. When the price of all articles is raised so high that a loss will be incurred by their sale in foreign markets, those who have no remittances to make will withdraw from the competition. If profitable investments in other enterprises cannot be made, a portion of the currency at their disposition will be withdrawn from circulation, by being converted into funded stock; competition will in this manner be diminished; the price of articles for exportation will be reduced by the reduction of the currency, and by diminished competition among the purchasers. It is not probable, however, that the price will fall so low as to admit of a profit in foreign markets as long as the premium upon exchange continues above the ordinary commercial profit upon exported articles. But, exportation will not be continued at a certain loss, longer than the discharge of debts previously contracted renders indispensable; foreign articles will not be imported when the loss upon remittances, whether made by bills of exchange or by the exportation of commodities, is equal to the profit upon importation; the high price given for exported articles will increase their production, and restore foreign exchange to a favorable state. The balance of trade and the rate of foreign exchange, which have given so much trouble to statesmen for two centuries past, when left to the laws by which they will be governed, in despite of human devices, as invariably regulate themselves, as fluids, when unrestrained, find their common level. They will, probably, more promptly conform to these laws in a state where a well regulated paper currency prevails, than where it is metallic. In the latter, the currency is exported to make up any temporary deficiency, and by that means provides against the recurrence of the evil, by indirectly causing an increase of the exportable articles of the state, and diminishing the importation of foreign articles. Until the capacity to purchase these by the exchange of articles shall be restored in the former, as the currency cannot be exported, the importations will be more promptly reduced to the capacity of the country to purchase, whilst the increase of its exportable articles will be the direct instead of the indirect consequence of a temporary incapacity to pay for previous importations.

3d. During the whole process of restoring a favorable state of exchange in a country where a well regulated paper currency prevails, the price of all articles not exportable will suffer no material variation. The funding of the currency which will probably take place, will not be immediately carried so far as to reduce the price of exportable articles so as to command a profit in foreign markets. They will, so long as the rate of exchange is unfavorable, continue to command higher prices than when the exchange is favorable. This increased price will encourage industry and enterprise, and constantly tend to augment the productive energies of the community. This effect cannot fairly be attributed to any depreciation in the currency. That will continue to bear nearly the same proportion to the exchangeable articles of the state, as when foreign exchange was favorable. It is probable even that its relation to those articles will be changed,

so as to produce an appreciation of the currency; and that this appreciation will be perceived in a slight degree in the depression of the value of all articles not exportable. The effects of this appreciation will, however, be diminished by the impulse given to industry and enterprise, by the increased price of all articles which can be exported.

These are conceived to be the effects which a well regulated paper currency will have upon the foreign exchanges, and upon the domestic industry of the country which may adopt it. If the value of currency depends like that of all other articles, upon the quantity, compared with the demand, the idea of its depreciation in raising the price of articles in the case which has been considered, must be rejected. That this position is incontrovertible, seems to have been admitted by all writers upon the subject. This admission is found in the reports which have been made to the British Parliament; in the evidence upon which those reports have been founded; and in the essays of those who have opposed the paper system in that country, since the year 1777.—The objection to the paper system, as it existed in England, was the absence of all restraint upon the issue of paper, and the supposed impossibility of imposing any efficient restraint. In fact, no attempt has been made to impose such restraint in that country, unconnected with the convertibility of bank notes into the precious metals. So far as this restraint is limited to the convertibility of bank notes into bullion, at any given rate; it is rather an attempt to regulate foreign exchange through the instrumentality of the bank, than to confine the issue of bank notes to the sound demand for currency. The restraint imposed seems to rest upon the idea that an unfavorable state of foreign exchange must be the result of a redundant currency. Nothing can be more incorrect than this hypothesis. Considering the vitiated state of the currency of England for more than twenty years past, it is not surprising that this idea should there be entertained. During that period, the unfavorable rate of foreign exchange which generally prevailed, was, if not directly, at least indirectly attributable to the depreciation of their currency. But in this interval a favorable rate of foreign exchange more than once occurred. To what could this favorable exchange be attributed? Certainly not to the depreciation of their currency. But it would be as unjust to attribute every unfavorable state of foreign exchange to the depreciation of the currency, as to ascribe to that currency the credit of any favorable state of such exchange. The truth is, that fluctuations in the exchange between two countries having a metallic currency, continually occur, and depend upon principles wholly unconnected with the idea of a depreciated currency.

If these views be correct, the only obstacles to the establishment of a paper currency, by a government having a sovereign right to establish it, is the danger of the instability and want of integrity and intelligence of the government. There is, certainly, just reason to apprehend that emergencies may arise in the affairs of every nation, in which their stability may be menaced, by foreign force or domestic insurrection. In such an event, a panic might ensue, and the credit of the currency be utterly annihilated. How far the recent examples which have been adverted to in other states—how far the influence of public opinion over the conduct of governments, may be relied upon, as an efficient preventative against evils of such magnitude, must be determined by those to whom

under Divine Providence, the prosperity and happiness of nations are committed. The subject involves all the complicated interests of society, except the enjoyment of civil, political and religious liberty. It ought to be approached with more than ordinary circumspection. In states the best qualified to attempt the change, it is environed with doubt which can only be dispelled by the light of experiment. In the United States these doubts are greatly increased by the complex form of the government. In the division of power, between the federal and state governments, the line of separation is not sufficiently distinct to prevent collisions, which may disturb the harmony of the system. Collisions have already arisen, and in the course of human events, may be reasonably expected to arise, until the line of separation by which their relative powers and duties are determined, shall be distinctly defined by practice, or by explanatory amendments of the constitution, effected according to the forms prescribed in that instrument. Upon no question will collision more likely arise than that contemplated by the resolution under which this report is submitted. No attempt to make the change has succeeded. The measure, when stripped of extraneous difficulties, must be admitted to be of doubtful tendency. Under the most auspicious circumstances it may prove abortive. Under circumstances in any degree adverse, it must inevitably fail. Any obstacle opposed to its execution, by one or more of the state governments, would be decisive of its fate. Their simple acquiescence in the measure would not be sufficient to secure to it that issue, to which the principles upon which it might be established, would necessarily leave. Their active co-operation would be indispensable. The banks which derive their authority from the state governments, are generally bound by their charters to discharge their notes in specie on demand. From this obligation it would be necessary to the system to relieve them. The obligation to discharge their notes upon demand, in the national currency, should be substituted for that of paying them in specie.

If these obstacles should be removed; that connected with the public debt, which has been suggested in a previous part of the report, would still remain. After the substitution of the national currency, gold and silver would be imported only in the quantity required for manufactures, and for the prosecution of those branches of trade in which they are primary articles of commerce. For these purposes, the importation would be sufficient. They might even be sufficient, and at a reasonable price, for the payment of the annual interest of the public debt. But after the year 1824, when the sum of \$10,000,000 would be annually expended by the Commissioners of the Sinking Fund, it is probable that the premium which would be paid upon it would be considerable, until the debt was extinguished. A compromise, as has already been suggested, with the public creditors, would seem to be a measure preliminary to any attempt to establish a paper currency. It is more than probable that the attempt would not only be unsuccessful, but that it would injuriously affect the public credit.

It may, also, be proper to observe, that those sections of the Union where a measure of this kind would be most likely to be acceptable, would probably derive from it the least benefit. In the west and in the south, the complaints of a deficient currency have been most distinctly heard. In the

latter, these complaints are of a recent date. In both they proceed in a greater degree from the disbursement of the public revenue than from any other cause. The great mass of public expenditure is made to the east of this city. The revenue accruing from imports, though principally collected in the middle and eastern States, is paid by the great mass of consumers throughout the United States. That which is paid for the public lands, although in some degree drawn from every part of the Union, is principally paid by the citizens of the west and of the south. The greatest part of the revenue accruing from the public lands, as well as that collected in the southern States, upon imports, has been transferred to the middle and eastern States to be expended. The necessity of making the transfer arises from the circumstance that the great mass of the public debt is held in those States, or by foreigners, whose agents reside in them; and from the establishment of dock-yards and naval stations in their principal ports. This transfer will continue to be necessary until the public debt shall be extinguished, and until the other expenditures of the government can, consistent with the public interest, be more equally distributed.

If a national currency should be established, the demand for it in the southern and western states, for the purpose of transmission, would be incessant, whilst its return, by the ordinary course of trade, especially in the latter, would be slow and in some degree uncertain. The currency, being every where receivable by the government, would for the purpose of remittance be more frequently demanded in that section than specie, for the same reason, that the notes of the Bank of the United States and its offices command there, at this time a premium in specie. As the transfers of the public money are made by the Bank of the United States, the excitement produced by the demand for specie, or funds that can be remitted, consequent upon such transfers, has been directed against that institution. All the evils which the community, in particular parts of the country, has suffered from the sudden decrease of the currency, as well as from its depreciation, have been ascribed to the Bank of the United States, which, in transferring the public funds, has been a passive agent in the hands of the government.

It is then believed that the evils which are felt in those sections of the Union where the distress is most general will not be extensively relieved by the establishment of a national currency. The sufferings which have been produced by the efforts that have been made to resume, and to continue until the value of property, and the price of labor, shall assume that relation to the precious metals which our wealth and industry compared with those of other states, shall enable us to retain. Until this shall be effected, an abortive attempt, by the substitution of a paper currency, to arrest the evils we are suffering, will produce the most distressing consequences. The sufferings that are past, will, in such an event, recur with additional violence, and the nation will again find itself in the situation which it held at the moment when specie payments were resumed.

I have the honor to be your most obedient servant,
WM. H. CRAWFORD.

Congressional Proceedings and a summary of news will be brought up next week.